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DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

IN REPLY REFER TO

OPNAVINST 4900.113
Op-631H
11 AUG 1975

OPNAV INSTRUCTION 4900.113

From: Chief of Naval Operations

Subj: Transfer of releasable assets of the DOD to eligible foreign countries and international organizations on a foreign military sales basis

Ref: (a) SECNAVINST 4900.5F of 25 September 1973, subject: Department of Defense Policy and Responsibilities Relating to Security Assistance

Encl: (1) DOD Directive 2110.8 of 26 June 1972, CH-1 (Reprint) of 9 December 1974, same subject

1. Purpose. To implement policy and procedures in enclosure (1), and to provide OPNAV policy guidance on enclosure (1) application within the Department of the Navy.
2. Background. Enclosure (1) prescribes DOD screening requirements for making releasable assets available to foreign governments and international organizations under Foreign Military Sales (FMS), and establishes Defense Supply Agency (DSA) and Military Department responsibilities for releasing these assets. Such FMS asset releases by the Department of the Navy are provided for by paragraph IIIH of enclosure (1) to reference (a).
3. Scope. This instruction applies to all Department of the Navy components concerned with the inventory management of material assets categorized as major (including ships and aircraft when authorized by OPNAV) and secondary items.
4. Policy. Releasable assets, as defined in enclosure (1) for Military Department FMS transfer, will be made available to eligible foreign governments and international organizations to the maximum extent practicable.
5. Action. Addressees will take the following actions in implementing enclosure (1):
 - a. Report to CNO (Op-63) major items (excluding ships and aircraft), not reportable to DSA for screening, which



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meet the definition of releasable DOD assets, in accordance with enclosure (1) for sale under FMS. Include in these reports preferred asset dispositions (i.e., offers to selected foreign countries or international organizations, together with pertinent reasons for these selected dispositions). Simultaneously freeze these reported assets for 90 days. If, after 90 days, there are no firm FMS commitments, then normal disposal procedures will be exercised.

b. Establish and implement procedures for the sale, under FMS, of secondary items that are releasable in accordance with enclosure (1). The 90-day freeze period will also apply to secondary items.

6. Report. The reporting requirement in paragraph 5a, above, is assigned symbol OPNAV ~~5233~~ 4900-15.

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27 may 94

R. J. Hanks

R. J. HANKS
By direction

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OPNAVINST 4900.113
11 AUG 1975
(REPRINT WITH CHANGES THROUGH
12/9/74 INCORPORATED)
NUMBER 2110.8
DATE June 26, 1972

Department of Defense Instruction ^{ASD(I&L)}

SUBJECT

Transfer of Releasable Assets of the DoD to Eligible Foreign Countries and International Organizations on a Foreign Military Sales Basis

References: (a) Foreign Military Sales Act, Public Law 90-629, as amended
(b) DoD Instruction 2110.8, subject as above, April 4, 1967 (hereby cancelled)
(c) through (m), see enclosure 1

I. REISSUANCE AND OBJECTIVES

- A. This Instruction establishes policies and procedures governing the transfer by sale of releasable assets of the Department of Defense (DoD) to eligible foreign countries and international organizations in accordance with the statutory authority set forth in Public Law 90-629 (reference (a)). Reference (b) is hereby superseded and cancelled.
- B. The objectives of this Instruction are to:
 - 1. Insure the provision of a responsive central screening system which will make releasable DoD assets available to eligible foreign governments and international organizations to meet the free world Defense requirements.
 - 2. Identify and fix responsibilities for the transfer of releasable DoD assets by eligible foreign governments and international organizations through the Foreign Military Sales (FMS) Program.

II. APPLICABILITY AND SCOPE

The provisions of this Instruction apply to the Military Departments and the Defense Supply Agency (DSA), (hereafter referred to as DoD Components), and cover FMS of releasable assets of the DoD to eligible foreign countries and international organizations.

Enclosure (1)

III. DEFINITIONS

Terms used in this Instruction are defined in enclosure 4.

IV. POLICIES AND PROCEDURES

The following guidance will assist DoD Components in attaining the objectives outlined in I. B:

A. Eligible Countries and International Organizations. Foreign countries eligible to make FMS purchases of DoD releasable assets are listed in part I of enclosure 2 to this Instruction. Countries and international organizations listed in part II of enclosure 2 are not authorized to purchase the categories of DoD releasable assets specified in attachment 1 to enclosure 2, without prior approval of the Director, Defense Security Assistance Agency (DSAA). For specific guidelines, refer to Chapter A, Military Assistance and Sales Manual (reference (e)). Requests for approval should be addressed to the Secretary of Defense, Attn: DSAA, Director Sales Negotiations.

B. General

1. Foreign countries and international organizations identified in enclosure 2 may select the items they wish to purchase by reviewing the DoD lists of declared excess personal property.

a. The lists shall be based on DoD Components' reports of excess and other DoD releasable assets which are reported to the Defense Property Disposal Service (DPDS) for screening against DoD Component and eligible foreign country requirements under the provisions of subsections C. and D. below.

b. DPDS will prepare and disseminate the lists to eligible recipients on a world-wide basis in accordance with the Operating Instructions outlined in enclosure 3.

2. Eligible foreign governments and international organizations may at any time submit a request for availability on a DD Form 1513 to DPDS for items which they desire to purchase but which are not included on declared excess listings.

These requests may be for a one-time screening or for an extended screening period. Requests for availability of personal property included on a declared excess listing should, however, be submitted during the 15-day DoD screening period for that particular listing, as prescribed in the Defense Disposal Manual (DoD 4160.21-M, reference (c)).

3. The requesting Government/organization will be notified that the property remaining at the end of the specified DoD screening period is available at a specific price, in accordance with subsection IV. H. , or at the price offered in the request for availability, if it exceeds the pricing guidance provided in subsection IV. H.
4. Processing of Purchase Requests will be in accordance with subsection IV. E.

* C. Personal Property to be Reported and Screened. DoD Components will report the various categories of personal property to DPDS for screening as prescribed below: *

1. Declared Service/Agency excess property will be reported as prescribed by the Defense Disposal Manual.
2. Economic retention stock, contingency retention stock and potential DoD excess stock will be reported in accordance with the policies prescribed in DoD Directive 4140.34 (reference (d)) and the procedures set forth in the Defense Utilization Manual (DoD 4140.34-M).
3. Redistributable Military Assistance Program (MAP) personal property will be made available for screening and transfer as prescribed in DoD Manual 5105.38-M, Part II, Chapter K (reference (e)).

* D. Screening of Materiel. Screening with eligible recipients will take place concurrently with established DoD screening periods as defined in DoD Directives 4160.21 and 4140.34 (references (c) and (d)). The property will not be considered eligible for *

transfer to authorized foreign governments and international organizations until it has been determined that there is no reasonable prospect for its use by the DoD, as follows:

1. Declared excess personal property appearing on excess listings will be considered eligible for transfer (sale) after the 15th day of issue of the excess listing (see IV. B. 2.)
2. Economic retention stock, contingency retention stock and potential DoD excess stock will be considered eligible for transfer (sale) after the 60th day of mechanized screening by DPDS.
3. Operating instructions for screening of DoD releasable assets by eligible foreign countries are contained in enclosure 3.

E. Processing of Purchase Requests

1. Sales of Property Not Requiring DSAA Approval. For countries specified in part I, enclosure 2, which are authorized to receive all Declared Excess Personal Property lists and to purchase all property listed thereon without prior approval from DSAA, the processing of purchase requests will be as follows:
 - a. Sales of supply systems stocks will be processed by the cognizant military service; DoD excess personal property sales will be accomplished by DPDS or the Foreign Excess Sales Office (FESO), as appropriate. Requests for supply systems stocks received by DPDS will be referred to the appropriate military service for all subsequent actions.
 - b. Notification of availability and the sales offer will be made on DD Form 1513, DoD Offer and Acceptance, dated 1 January 1973, supplemented by Standard Form 114C if required by host country agreements.

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- * c. If this offer is accepted, the recipient government will sign the DD Form 1513 and submit it to the cognizant military service, DPDS or the FESO, as appropriate. *
- * d. Upon receipt of a purchase document, DPDS or the FESO will prepare a transfer order and forward it to the reporting Inventory Control Point (ICP) or holding activity for action. *

(NOTE: Requests by more than one country for the same major end item(s) and/or ammunition wherein the totals requested exceed the supply will be referred to DSAA for decision.)

2. Sales of Property Requiring DSAA Approval. For countries listed in part II of enclosure 2:

- a. Purchase requests submitted for that property listed in attachment 1 to enclosure 2 will be reported to, and approved by DSAA prior to the submission of a formal sales offer to the requesting government. Requests for approval of sale will be submitted to DSAA by the most expeditious means and will include:
 - (1) Item identification, quantity and condition code.
 - (2) Acquisition cost, estimated disposal value and offered sale price.
- b. Subsequent to receipt of approval of the sale by DSAA the processing of the purchase request will be as specified in IV. E. 1. a. through d.

(NOTE: DSAA disapprovals will include reasons for disapproval and appropriate instructions concerning the reoffering or other disposition of the property.)

3. Operating instructions for conducting FMS of DoD excess personal property are contained in enclosure 3.

F. Paying for Property

1. Eligible recipients will pay for the property in U. S. dollars (in the form of checks made payable to the Treasurer of the United States) covering the purchase price and including (a) charges for repairs, rehabilitation and modification as determined under subsection IV. G; and (b) accessorial charges as determined under paragraph IV. H. 2.
2. Payment will be made with the order, unless the purchaser is eligible for 120-day payment terms as authorized in subsection IV. H. of DoD Instruction 2140. 1 (reference (f)). Billing will be rendered pursuant to DoD Instruction 2140. 3 (reference (g)).
- * 3. Countries and international organizations eligible for 120- *
* day payment terms are reflected in table A-2, chapter A, *
* part III of DoD Manual 5105. 38-M (reference (e)). *
4. Payment received from personal property sold in accordance with this Instruction will be processed as follows:
 - * a. Proceeds from the sale of DoD excess personal property *
sold by Defense Property Disposal Offices (DPDOs) will be *
processed and deposited in accordance with the *
requirements set forth in the Defense Disposal Manual *
and DoD Instruction 7310. 1 (reference (h)).
 - b. Payment received from the transfer of ICP-controlled assets (Potential DoD Excess Stocks, Contingency Retention Stocks and Economic Retention Stocks) will be deposited to the credit of the selling appropriations/ fund in accordance with DoD Instruction 2110. 29 (reference (i)) and the current implementing regulations of the owning DoD Component.
 - c. Payment for costs of repair, rehabilitation and modification will be deposited to the credit of the appropriation or fund of the DoD Component financing the costs.

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- d. Payment received from the sale of redistributable or disposable MAP property will be deposited to the current applicable Military Assistance Appropriation (11-1080) or other fund account under the authority of the Foreign Assistance Act of 1961 as amended (reference (j)) in accordance with the instructions in the Defense Disposal Manual. A copy of the validated deposit documents will be furnished to the Comptroller, DSAA.

G. Repairs, Rehabilitation and Modification. The extent of repairs, rehabilitation and modification of any property requested under this Instruction will be subject to negotiation between the requester and the owning DoD Component, with costs defined on the DD Form 1513.

H. Pricing

1. Negotiated reimbursement for DoD excess property and ICP controlled assets (Potential DoD Excess Stocks, contingency retention stocks and economic retention stocks) will be established in accordance with DoD Instruction 2140.1 (reference (f)).
2. Accessorial charges will be computed as prescribed in DoD Instruction 7510.4 (reference (k)) and billed pursuant to DoD Instruction 2140.3 (reference (g)).

* V. REPORTING RESPONSIBILITIES OF DOD COMPONENTS *

* In order that the Congress, National Security Council, officials *
* of the Office of the Secretary of Defense, the DoD Components, the *
* Agency for International Development, the Department of State, *
* the Department of Commerce, and other U.S. Government *
* agencies can be currently informed on the status of FMS transac- *
* tions; the Comptroller, Defense Security Assistance Agency *
* maintains a central data bank which is the basis of providing *
* periodic and nonrecurring status reports of FMS. DoD Comp- *
* onents furnish updated information to the central data bank at *
* regular intervals in accordance with procedures prescribed in *
* Part III of DoD Manual 5105.38-M (reference (e)). *

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DEPARTMENT OF DEFENSE

DIRECTIVES SYSTEM TRANSMITTAL

NUMBER	DATE	DISTRIBUTION
2110.8 - Ch 1 (Reprint)	December 9, 1974	2100 series

ATTACHMENTS

Reprint of DoD Instruction 2110.8, 6/26/72

INSTRUCTIONS FOR RECIPIENTS**REPRINT**

Attached is a reprint of DoD Instruction 2110.8, "Transfer of Releasable Assets of the DoD to Eligible Foreign Countries and International Organizations on a Foreign Military Sales Basis," dated June 26, 1972, incorporating authorized changes indicated by marginal asterisks.

The reprinted Instruction should be substituted for copies of 2110.8 originally distributed.

EFFECTIVE DATE AND IMPLEMENTATION

These changes are effective immediately. Two copies of revised implementing instructions shall be forwarded to the Assistant Secretary of Defense (Installations and Logistics) within 60 days.

Maurice W. Roche
MAURICE W. ROCHE, Director
Correspondence and Directives
OASD(Comptroller)

2-

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

SD FORM 106-1
1 MAR 62

PREVIOUS EDITIONS ARE OBSOLETE

Enclosure (1)

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VI. EFFECTIVE DATE AND IMPLEMENTATION

- A. This Instruction is effective immediately.
- B. The DSA, in coordination with the DoD Components, will revise the Defense Disposal Manual to incorporate the provisions of this Instruction within 120 days.



ARTHUR I. MENDOLIA
Assistant Secretary of Defense
(Installations & Logistics)

Enclosures 4

- 1. List of References
- 2. Eligible & Ineligible Countries
- 3. Operating Instructions
- 4. Definitions

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REFERENCES (Continued)

- (c) DoD Directive 4160.21, "DoD Personal Property Disposal Program," February 23, 1972, and Defense Disposal Manual (DoD 4160.21-M)
- (d) DoD Directive 4140.34, "Department of Defense Personal Property Utilization Program," September 5, 1968, and Defense Utilization Manual (DoD 4140.34-M)
- * (e) DoD Manual 5105.38-M, "DoD Military Assistance and Sales," *
- * August 24, 1973, authorized by DoD Directive 5105.38, August 11, 1971*
- (f) DoD Instruction 2140.1, "Pricing of Sales of Defense Articles and Defense Services to Foreign Countries and International Organizations," January 29, 1970
- (g) DoD Instruction 2140.3, "Foreign Military Sales Materiel Billing Procedures," October 8, 1969
- (h) DoD Instruction 7310.1, "Accounting and Reporting for Property Disposal and Proceeds from Sale of Disposable Personal Property and Lumber and Timber Products," July 10, 1970
- (i) DoD Instruction 2110.29, "Method of Financing, Funding, Accounting & Reporting for Foreign Military Sales to Friendly Foreign Governments and International Organizations" September 24, 1970
- (j) Foreign Assistance Act of 1961, as amended
- (k) DoD Instruction 7510.4, "Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales and Transfers of Materials, Supplies and Equipment," April 7, 1967
- (l) DoD Directive 4100.37, "Retention and Transfer of Materiel Assets," *
- * June 7, 1974 *
- * (m) DoD Instruction 2030.6 "Implementing Procedures for Security *
- * Trade Controls on Foreign Excess Personal Property," *
- * March 20, 1973 *

#First amendment (Ch 1, 12/9/74)

Enclosure (1)

ELIGIBLE AND INELIGIBLE COUNTRIES AND INTERNATIONAL
ORGANIZATIONS

PART I

* Provided the item is otherwise eligible for sale to the particular foreign government, and except where special procedures or constraints may be applicable, countries listed in this Part are authorized to purchase all types of DoD releasable assets without prior approval from the Defense Security Assistance Agency (DSAA). They may be provided all Declared Excess Personal Property listings or they may submit a request for availability to DPDS on a DD Form 1513 (DoD Offer and Acceptance) for items which they wish to purchase but which are not included in the Declared Excess Personal Property Listings. *

Austria	Italy
Australia	Japan
Belgium	Luxembourg
Canada	Netherlands
Denmark	New Zealand
France	Norway
Germany, Federal	Spain
Republic of	Switzerland
Iceland	United Kingdom
Ireland	

PART II

- * A. Provided the item is otherwise eligible for sale to the particular foreign government or international organization, and except where special procedures or constraints may be applicable, countries and international organizations listed in this Part are authorized to receive all Declared Excess Personal Property listings and the same sales assistance from DPDS as is provided for in Part I above. *
- * B. Sales of maintenance support items do not require prior approval of the DSAA. However, for the following countries, purchase requests for articles and services other than those needed to operate and maintain equipment, i. e., end items in Federal Supply Classification Groups listed in attachment 1 to this enclosure, must be referred to the DSAA for approval (see IV. E., basic Instruction). *

* 2. - All sales to African and Latin American countries; - whether for end -
* items or maintenance support, - require approval of the DSAA if the amount
* of the sale is for \$5,000 or more to African countries and \$25,000 or -
* more to Latin American countries.

Afghanistan	Guinea	Niger
Argentina	Honduras	Nigeria
Bolivia	India	Pakistan
Brazil	Indonesia	Panama
Burma	Iran	Paraguay
Cameroon	Israel	Peru
Ceylon	Ivory Coast	Philippines
Chile	Jamaica	Portugal
China, Republic of	Jordan	Saudi Arabia
Colombia	Korea	Senegal
Congo	Kuwait	Singapore
Costa Rica	Laos	Sweden
Dahomey	Lebanon	Thailand
Dominican Republic	Liberia	Trinidad
Ecuador	Libya	Tunisia
El Salvador	Malaysia	Turkey
Ethiopia	Mali	Upper Volta
Finland	Mexico	Uruguay
Greece	Morocco	Venezuela
Ghana	Nepal	Vietnam
Guatemala	Nicaragua	Yugoslavia

* C. Eligible international organizations are:

International Commission for Supervision and Control in Laos (ICC),
North Atlantic Treaty Organization (NATO), and its agencies,
Organization of American States (OAS), and
United Nations (UN), and its agencies.

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<u>FEDERAL SUPPLY CLASSIFICATION GROUP</u>		<u>CLASSES</u>
10	Weapons	All
11	Nuclear Ordnance	All
12	Fire Control Equipment	All
13	Ammunition and Explosives	All
14	Guided Missiles	All
15	Aircraft Airframe Structural Components	All
16	Aircraft Components and Accessories	All
17	Aircraft Launching, Landing and Ground Handling Equipment	All
18	Space Vehicles	All
19	Ships, Small Craft, Pontoons and Floating Docks	All
23	Motor Vehicles, Trailers and Cycles	All
28	Engines, Turbines and Components	All
29	Engine Accessories	All
58	Communications Equipment	All
66	Instruments and Laboratory Equipment	All
69	Training Aids and Devices	All
95	Metal Bars, Sheets and Shapes	All

OPERATING INSTRUCTIONS

* The Defense Property Disposal Service (DPDS) of the Defense Supply Agency (DSA) will accomplish the following actions regarding Department of Defense (DoD) releasable assets reported for utilization screening. That portion of the Instruction which is pertinent will also apply to the sales of Foreign Excess Personal Property to eligible foreign countries by Foreign Excess Sales offices: *

1. Maintain a mailing list of eligible recipients based on designation provided by the DSAA of eligible foreign countries, accredited purchasing agents, approved international organizations, Military Assistance Advisory Groups (MAAGs) and military missions for the purpose of disseminating information on availability of DoD releasable assets.
2. Provide listings of declared excess property and/or make special referrals of available excess to eligible foreign countries and international organizations when requested. Provide recipients with the assistance, instructions and information necessary to obtain desired property.
3. Obtain a forecast of requirements (repair parts, components, and minor secondary items) from eligible foreign governments and international organizations to be matched against releasable assets through mechanized screening.
4. Inform eligible recipients that all transfers of DoD releasable assets are completed under the statutory authority cited in section I of this Instruction, and that the usual Government-to-Government agreements pertaining thereto apply.
5. Inform recipients of any export clearance procedures that may be required for sales items.
6. Determine if the property requested is authorized for transfer in accordance with enclosure 2 and insure that DSAA clearance is obtained if required.

7. Approve authorized transfers, confirm availability of property
* from the ICP or DPDO as appropriate, and effect a freeze order *
on the property requested until negotiations for reimbursement
are completed.
8. Advise requesting foreign country or international organization
when (a) requested materiel is available in less than required
quantities or is not available, or (b) the request is disapproved,
and return to the purchase request and payment unless alternative
fulfillment is desired.
9. Prepare and submit to the foreign government or international
organization a DD Form 1513 stating:
 - a. The eligibility for 120-day payment terms.
 - b. The procedure to follow in making payment.
 - c. The total amount of reimbursement required; listed separately
by amounts for (1) the article, (2) repair, rehabilitation or
modification, and (3) necessary accessorial charges reflected
in section IV of this Instruction.
10. Upon receipt of accepted DD Form 1513, initiate transfer order
* and forward the transfer order and the DD Form 1513 to the *
appropriate ICP or DPDO for necessary action. Transfer orders
will be annotated to indicate 120-day payment transactions when
appropriate.

DEFINITIONS

- A. Releasable Assets of the DoD. Includes DoD excess and Government surplus personal property in the hands of Defense Property Disposal Officers (DPDOs), including disposable Military Assistance Program (MAP) property and all assets of personal property under the control of Inventory Managers (IMs) stratified as Economic Retention Stock, Contingency Retention Stock and Potential DoD Excess Stock, as defined in DoD Directive 4100.37 (reference (1)) subsequent to the DoD screening prescribed in paragraphs IV. D. 1. and 2. *
- B. Personal Property. Property of any kind or any interest therein, except real property, records of the Federal Government, and Naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers and submarines.
- C. Declared Service/Agency Excess Personal Property. All DoD personal property determined by competent authority to be no longer required by the controlling service or agency. This property may be ICP controlled or non-ICP controlled, and generated from either wholesale or retail level.
- D. DoD Excess Personal Property. Property which has been determined to be unnecessary for the discharge of DoD responsibilities after completion of utilization screening among DoD activities in accordance with policies prescribed by DoD Directive 4160.21 (reference (c)) and procedures set forth in the Defense Disposal Manual.
- E. Surplus Personal Property. Excess personal property located in the United States, Puerto Rico and the Virgin Islands which has been determined by the General Services Administration not to be required for the needs and the discharge of responsibilities of all Federal Agencies.
- F. Foreign Excess Personal Property. Personal property located outside the United States, Puerto Rico and the Virgin Islands which has been determined to be DoD excess.
- G. Inventory Control Point Controlled Property. Quantities of personal property under the centralized control of an ICP including, as appropriate, stocks in depots and bases, and stocks in use which are subject to item transaction reporting to an ICP for item control.
- H. Redistributable MAP Property. All MAP personal property which has been declared, by the recipient government to the United States, as no longer needed for the purposes for which furnished and which meets the criteria for utilization screening as prescribed in DoD Manual 5105.38-M (reference (e)). *